MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

ANNUAL REPORT
FISCAL YEAR 1982

Suite 278, Metro Square, 7th & Robert Streets, Saint Paul, Minnesota 55101

MINNESOTA HIGHER EDUCATION
Facilities Authority

Office of the Executive Director

November 19, 1982

The Honorable Albert H. Quie, Governor
The Honorable Rudy Perpich, Governor-Elect
Members of the Legislature
State Capitol
St. Paul, Minnesota 55155

Members, Minnesota Higher
Education Coordinating Board
Suite 400, Capitol Square Building
St. Paul, Minnesota 55101

Dear Governor Quie, Governor-Elect Perpich, Members of the Legislature, and Members of the Higher Education Coordinating Board:

The Minnesota Higher Education Facilities Authority is pleased to send its Annual Report for Fiscal Year 1982.

The Minnesota Higher Education Facilities Authority is an independent agency created by Chapter 868, Laws of Minnesota, 1971 (Section 136A.25 through 136A.42, Minnesota Statutes), for the purpose of assisting institutions of higher education of the State in the construction and financing of projects. The Authority has power to issue revenue bonds in a total amount not to exceed $100 million of outstanding bonds. Bonds issued by the Authority can be payable only from the rental revenues and other income, charges, and moneys pledged for their payment. They do not in any manner constitute a debt or pledge of the faith and credit of the State of Minnesota.

Educational institutions of the State of Minnesota eligible for assistance by the Authority are non-sectarian, non-profit educational institutions authorized to provide a program of education beyond the high school level. Although the statutes do not limit funding to the private sector, no public institution has applied for funding to the Authority.

The Authority is financed solely from fees paid by the institutions. No state appropriations have ever been made to fund the Authority. Also, funds from series reserve accounts and from the General Bond Reserve Account of the Authority cannot be used and have not been used to pay operating expenses of the Authority.

The Authority has not sold any bonds in Fiscal Year 1982. The bond market has continued its dramatic decline, making bond financing too expensive; however, several of the higher educational institutions have long-delayed projects that need financing. This has created a sizeable backlog of quite a variety of construction projects across the state. For the most part, these projects relate to energy conservation, renovation, replacing obsolete equipment, and expansion of technical centers such as libraries and computer centers.

The Authority has a backlog of approved preliminary applications for projects at the following institutions: St. Mary's College, Hamline University, Macalester College, College of St. Catherine, and Augsburg College. The estimated cost of all these projects is $24,850,000.

The Authority has also approved final applications for projects at the following institutions: Gustavus Adolphus College, Golden Valley Lutheran College, Northwestern College of Chiropractic Clinics, and Concordia College at Moorhead. The approximate cost of all of these projects is $10,150,000.

The Authority has been successful in financing three projects in Fiscal Year 1983. The College of St. Thomas received financing for constructing the Daniel C. Gainey Conference Center in Owatonna, Minnesota ($2,500,000) and the college has also refinanced debt on their new physical education and activities building located on its main campus ($6,110,000). Carleton College received financing for the renovation and expansion of their library facilities and the renovation of two student residence facilities ($9,400,000). The total of the bonds issued for these projects was $18,010,000.

The Authority, as of November 19, 1982, has financed 34 projects totalling $93,465,000. The total amount of bonds outstanding is $82,375,000. The Authority anticipates reaching its $100 million bonding authority limit sometime in 1983.

The Authority has been diligently seeking new ways of financing cost-effective energy conservation projects. We have sent out surveys to determine an exact number of such projects and what the approximate cost would be. We hope to pool a number of these projects together in one bond issue, thus saving issuance costs and effecting a lower interest rate.

Is is still too early to tell when the bond market will stabilize and hold at a range of rates acceptable to higher educational institutions. The Authority is making every effort to help those institutions that demonstrate need for capital improvements and financial resources to repay the loans.

Members of the Authority are happy to serve the higher educational institutions, and look forward to be of continued service to the higher education community and to the State of Minnesota.

Respectfully submitted,

Maxwell O. Ramsland, Jr.
Chairman

TABLE OF CONTENTS

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Frederick J. Bentz Architect - Bentz-Thompson-Rietow, Inc. Expert - Construction	January 1, 1983
Earl R. Herring Vice President for Administrative Affairs Moorhead State University Expert - Higher Education	January 1, 1983
Clyde R. Ingle, Secretary Executive Director, Minnesota Higher Education Coordinating Board Ex-officio member	Indeterminate
Maxwell O. Ramsland, Jr., Chairman Ramsland and Vigen, Inc. General	January 1, 1983
Leonard J. Rogge Retired General	January 2, 1984
Peter H. Seed Member, Briggs and Morgan, Professional Association Lawyer, St. Paul Expert - Municipal Finance	January 4, 1986
Herbert M. Stellner, Jr., Vice-Chairman Senior Vice-President, Marquette Bank and Trust Rochester, Minnesota General	January 2, 1984

Dr. Joseph E. LaBelle, Executive Director

BOND COUNSEL	FISCAL ADVISORS
Faegre and Benson (John S. Holten) Minneapolis, Minnesota	Springsted, Inc. (Osmon Springsted) St. Paul, Minnesota

THE AUTHORITY

The Minnesota Higher Education Facilities Authority was created by Chapter 868, Laws of Minnesota, 1971, for the purpose of assisting institutions of higher education of the state in the construction and financing of projects. The Authority consists of six members appointed by the Governor with the advice and consent of the Senate and a seventh member who is the Executive Director of the Minnesota Higher Education Coordinating Board and who is designated as the Secretary of the Authority.

Originally, the Authority was given power to issue revenue bonds in a total amount not to exceed $45 million. The 1973 Legislature increased this limit to an aggregate of $62 million of principal outstanding at any time. In 1978, the Legislature increased this limit again to an aggregate of $100 million of principal outstanding at any time. Bonds issued by the Authority can be payable only from the rentals, revenues and other income, charges and moneys pledged for their payment. They do not in any manner represent or constitute a debt or pledge of the faith and credit of the State of Minnesota.

By the provisions of Chapter 868, Laws of Minnesota, 1971 "...... neither the Authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the Authority or its agent under the provisions of this act or upon the income therefrom...."

Educational institutions of the state eligible for assistance by the Authority are non-profit educational institutions authorized to provide a program of education beyond the high school level. Sectarian institutions are not eligible for assistance; however, the fact that an institution is sponsored by a religious denomination does not of itself make the institution sectarian. Application to the Authority is voluntary.

The scope of projects for which the Authority may issue bonds is broad, including buildings or facilities for use as student housing, academic buildings, parking facilities and other structures or facilities required or useful for the instruction of students, or conducting of research, in the operation of an institution of higher education.

A project for which bonds are issued by the Authority becomes the property of the Authority -- as long as bonds of the Authority issued for the project remain outstanding. Thereafter they may be subject to repurchase options. The project is leased by the Authority to the institution for operation. The revenues which are the primary security for the bonds are provided according to the terms of the lease between the Authority

and the institution. Prior to delivery of an issue, the Authority enters into a mortgage trust indenture with a trustee who administers the funds which are the security for the payment of the bonds, except the funds of the General Bond Reserve Account. These are under the supervision of the Authority.

As a general policy, the Authority requires that the proceeds of the bonds include a sum equal to approximately one year's debt service, after deduction of any interest subsidy grants, for the creation of debt service reserves. Of this sum, 80% is deposited with the trustee in a series reserve account; the remaining 20% is deposited by the Authority in the General Bond Reserve Account pledged to the payment of all bonds issued by the Authority for which such deposit has been made. Funds from the series reserve accounts and from the General Bond Reserve Account cannot be used to pay operating expenses of the Authority.

Although the Authority retains broad powers to oversee planning and construction, it is current policy to permit the institution almost complete discretion with respect to these matters.

In Minnesota Higher Education Facilities Authority v. Hawk, filed August 8, 1975, the Minnesota Supreme Court affirmed the constitutionality of the issuance of tax exempt bonds by the Authority to refinance debts incurred by Minnesota private colleges in the construction of facilities used solely for nonsectarian educational purposes. In the opinion of the Bond Counsel, this decision also confirms the legality of bonds issued by the Authority to finance original construction, improvement, and remodeling of projects.

The Authority is financed solely from fees paid by the institutions for whom bonds are issued. A $1,000 non-refundable application fee must accompany each submitted formal application. At the time of issuance, and usually from bond proceeds, the Authority is paid .35 of one percent of the principal amount of the issue. Thereafter, commencing as of the date of issue, and payable in advance, but not from bond proceeds or funds of the issue, the Authority receives an annual fee of .2 of one percent of the original principal amount of the bonds for their life.

Bond issuance costs, including fees of bond counsel, the fiscal consultant, trustee and paying agent, are paid by the institution. The fees of bond counsel and the fiscal consultant usually come from bond proceeds.

The staff of the Authority consists of its Executive Director, Dr. Joseph E. La Belle, and one secretary.

PROJECT DESCRIPTIONS

BOND SERIES "A" $2,200,000 AUGSBURG COLLEGE

Founded in 1869, Augsburg College is a private four-year liberal arts college, one of eleven senior colleges affiliated with and supported in part by the American Lutheran Church.

Augsburg College used the bond proceeds to construct an apartment-type student housing facility of 104 units accommodating 312 students. The building had full occupancy with the opening of the fall term in 1973. Moveable furnishings, except for common areas, are provided by the tenants.

BOND SERIES "B" $1,935,000 BETHEL COLLEGE

Bethel College, whose beginning was in Chicago in 1871, is a non-profit, co-educational, residential, four-year, liberal arts college in the City of Arden Hills, a northern suburb of Saint Paul. It is owned and operated by the Baptist General Conference. In 1972, the College moved from its former campus in Saint Paul to a new 168 acre site, exclusive of 62-acre Lake Valentine on the campus, in Arden Hills.

The College constructed and furnished two units of seven buildings each to provide townhouse-type student housing accommodating approximately 480 students. A design-and-build package contract had been entered into and students occupied the facilities in January, 1974. The units are of frame construction with partial brick exterior and are built on the College's new Arden Hills campus. Each unit has three bedrooms, living room, bath and storage. Plumbing has been placed for future installation of an efficiency kitchen. Each unit houses six students.

BOND SERIES "C" $ 595,000 ST. MARY'S COLLEGE

St. Mary's College is a non-profit, non-sectarian, residential four-year co-educational liberal arts college. It was founded in 1913 by the second Bishop of Winona. Conducted at first by diocesan clergy, the College came under the administration of the Brothers of the Christian Schools in 1933. It now is operated as a separate corporation for which the Christian Brothers have no fiscal responsibility. Originally a men's school, the College became co-educational in 1969.

St. Mary's College, Winona, constructed six frame buildings having 28 apartments for the accommodation of 108 students and two faculty members. The units are on a site at the edge of the main campus.

BOND SERIES "D" $ 520,000 COLLEGE OF ST. SCHOLASTICA

The College of St. Scholastica was founded by the Benedictine Sisters Benevolent Association in 1906. The College was incorporated as a separate entity in 1962. Formerly a women's college, it became co-educational in 1968.

PROJECT DESCRIPTIONS

BOND SERIES "D" - CONTINUED

The College of St. Scholastica, Duluth, constructed six four-plexes, prefabricated, frame, apartment buildings housing four students per apartment for a total of 96. Each apartment has two bedrooms, a living room, kitchen and bath. Furnishings include carpeting, stove, refrigerator, kitchen table, love seat, coffee table, draperies, eight chairs and bedroom furniture of two beds, a chest, desk and built-in shelving in each of the two bedrooms.

BOND SERIES "E" $1,030,000 GUSTAVUS ADOLPHUS COLLEGE

Gustavus Adolphus College, located in St. Peter, used $300,000 of the Bond proceeds to remodel the old library building into a science classroom. The balance of the Bond proceeds were for construction of a new administration building.

BOND SERIES "F" $1,610,000 COLLEGE OF ST. BENEDICT

The College of St. Benedict, located in St. Joseph, just seven miles from St. Cloud, Minnesota, is an academic community for 1,800 undergraduate women. It maintains close cooperation with the nearby St. John's University, a college for men.

The College of St. Benedict constructed 30 two bedroom, furnished apartments with kitchen, each housing four students, for a total of 120. The College also constructed an indoor swimming pool addition to the Physical Education Building. Also, the College remodeled and improved the Home Economics Department facility and remodeled and improved the dining facility in St. Gertrude Hall, each with appurtenant equipment, furnishings, utilities and site improvements.

BOND SERIES "G" $8,450,000 MPLS. SOCIETY OF FINE ARTS

The Minneapolis Society of Fine Arts, established in 1883, is a Minnesota non-profit corporation that operates the Minneapolis Institute of Arts and the Minneapolis College of Art and Design. The College of Art and Design, founded in 1886, is a four-year accredited educational institution.

The Bonds have been issued for the construction of a new technical academic building with appurtenant equipment, furnishings, utilities and site improvements at the Minneapolis College of Art and Design. The Bond project includes a pedestrian bridge too and furnishings and equipment for the existing college building. The new facilities enabled the College to expand to 600 and permitted it to enlarge greatly the scope of its four-year program leading to the Bachelor of Fine Arts Degree in Fine Arts and Design, with areas of concentration in painting, print-making, sculpture, intermedia, graphic design, photography, film, video and fashion design. The new four-story building has been designed by Kenso Tange, internationally known Japanese architect whose other works include the Olympic Sports Stadium in Tokyo.

PROJECT DESCRIPTIONS

BOND SERIES "H" $ 340,000 COLLEGE OF ST. SCHOLASTICA

The proceeds of this Bond Issue were used to fund the Pine Apartment Building at the College of St. Scholastica. The three-story brick and spancrete building houses 46 students. It has 11 four-student apartments. Each 800 square foot apartment has its own kitchen, bathroom, two bedrooms, living room and balcony area. An additional unit accommodates two students. The building has house laundry facilities for 142 students; 46 in the new facility and 96 from the adjoining Grove Apartments.

BOND SERIES "I" $1,600,000 AUGSBURG COLLEGE

The Bonds have been issued to construct a two-rink, artificial ice, Ice Center on land of a 56,469 square foot area owned by the College and adjacent to the campus. The facility includes moderate spectator capacity, dressing rooms, offices, a service shop and a concession area. It is used for physical education programs of the College, including intramural and intercollegiate competition. It is available for rental to other colleges and to junior hockey organizations.

BOND SERIES "J" $ 370,000 COLLEGE OF ST. BENEDICT

The Bonds were issued to provide funds for the construction, equipping and furnishing of a campus center which includes a bookstore, snack bar, post office, student government office and recreational lounge space.

BOND SERIES "K" $ 800,000 COLLEGE OF ST. THOMAS

The College of St. Thomas was founded by Archbishop John Ireland in 1885. The present campus, comprising 45 acres, is situated on Summit Avenue in the City of Saint Paul, midway between the downtown districts of the Twin Cities of Saint Paul and Minneapolis, and serve approximately 5,000 students in both baccalaureate and graduate programs.

The Bonds were issued for the construction, equipping and furnishing of a faculty residence with 23 apartments, two guest rooms, a conference room, a lunch meeting room, an exercise room and five garage stalls.

BOND SERIES "L" $2,280,000 ST. MARY'S JUNIOR COLLEGE

St. Mary's Junior College, founded in 1964, was established to meet the needs of the community in the area of health care personnel.

The Bonds were issued for the construction of a new academic building housing classrooms, laboratories, administrative offices and a library. Since the College opened in 1964, it had used two buildings owned by adjoining St. Mary's Hospital in Minneapolis. One of these was a 90,000 square foot structure in which the College has classrooms, laboratories, administrative offices and dormitory rooms. In November, 1974, the hospital gave the College a 25 year lease on this well-kept 1929 building at an annual rental of $10.00. The second building is a 15,000 square foot structure in which the College had some laboratories. This building was demolished, which, together with the need of this College for more room, made the new building necessary.

PROJECT DESCRIPTIONS

BOND SERIES "M" $ 690,000 COLLEGE OF SAINT CATHERINE

Founded in 1905 by the Sisters of St. Joseph of Carondelet, the College has played an important part in the educational development of the Upper Midwest ever since. The campus covers an area of more than 100 acres in a residential section midway between downtown Saint Paul and downtown Minneapolis. Saint Catherine's proximity to several private colleges, as well as the five-college policy of non-tuition student exchange, makes the College part of a multi-college community.

The proceeds of the Bond Issue were for the construction of Fairview Apartments which consist of thirteen one-bedroom units and twenty-three two-bedroom units. Each apartment, in addition to the bedrooms, has a living room, dining area and kitchen. The building also includes two laundry rooms, one on the second and one on the third floor. Construction is of brick veneer on a wood frame with a concrete block fire wall, dividing the building in half. The total floor area of the building is 11,000 square feet.

BOND SERIES "N" $1,450,000 COLLEGE OF ST. BENEDICT

Bond Series "N" was issued to construct, furnish and equip a new student residence facility for the College. The new, apartment-type facility houses 200 students and two faculty residents.

BOND SERIES "O" $4,000,000 CARLETON COLLEGE

Carleton College is a Minnesota non-profit, independent, co-educational, residential, liberal arts college situated in Northfield, Minnesota, 40 miles south of the Twin Cities of Minneapolis and Saint Paul. Carleton, founded by the Congregational Church (now United Church of Christ), was chartered December 17, 1866. The College is now non-sectarian and independent. It is situated on a 90-acre main campus with 46 buildings. The total college's grounds comprise 900 acres, including a 400-acre arboretum, a virgin prairie, a forest tract, and open land.

The proceeds of the Issue were used to construct, furnish and equip a new science building and to remodel, improve and equip Burton Hall, an existing dormitory and dining facility. The new three-story science building for chemistry and geology contains classrooms, lecture halls, seminar rooms, offices, a computer room, a science library, and chemistry and geology laboratories. The Seeley G. Mudd Fund of California provided a grant of $1,035,000 to help pay for the construction of this facility. The balance of the Bond proceeds, together with college funds on hand, were used for a $2,321,000 renovation of Burton Hall, the oldest and second largest of Carleton's existing dormitory halls, for the construction of a new kitchen and conversion of existing kitchen space in Burton Hall to a new cafeteria-style serving facility to provide dining space, seating 550 students.

PROJECT DESCRIPTIONS

BOND SERIES "P" $2,350,000 ST. OLAF COLLEGE

St. Olaf College, a four-year, liberal arts college, is located in Northfield, Minnesota, a city of 10,000, 40 miles south of Minneapolis and Saint Paul. Its 350 acre campus is west of the City on an elevation known as Manitou Heights. The College owns approximately 1,175 acres of open space, now used for farming, adjoining its campus on the west, southwest and the north. The College was founded in 1874, but was operated as an academy until 1886. The name was changed to St. Olaf College in 1889. Throughout its history, St. Olaf has been related to the American Lutheran Church.

The proceeds of the Issue were used to construct a new 63,200 square foot music hall which includes two large instrumental rehearsal halls, a choral rehearsal hall, a 400 seat recital hall, a new music library, classrooms, offices, and practice and teaching studios. The total cost of the project was slightly in excess of $4,000,000. In addition to the money available from the Bond proceeds, the College used monies from a recently completed fund-raising campaign.

REFUNDING SERIES "1975-1" $6,460,000 BETHEL COLLEGE

The proceeds of this Issue, together with other funds furnished by the College, were used to repay fully the outstanding 8%, $6,000,000 direct obligation notes issued by the Baptist General Conference February 7, 1972, to the Boatmen's National Bank of St. Louis to provide funds for the construction of four academic buildings on the College's new Arden Hills campus. Although the total construction costs, exclusive of equipment and furnishings, were $7,623,000, the additional $1,623,000 was provided by the College from other than borrowed funds. The proceeds of this Issue were used only to refund that part of the $6,000,000 notes used for the construction of the following buildings: library and food service - building E, cultural arts - building D, and academic classroom - building B. They were not used to refinance any of the construction costs of the field house, since that facility is used for religious purposes.

REFUNDING SERIES "1976-1" $1,695,000 COLLEGE OF ST. TERESA

The College of St. Teresa is a non-profit, women's residential, four-year, liberal arts college in the City of Winona, Minnesota. It traces its origin to 1894 when the Sisters of the Third Order Regular of the Congregation of Our Lady of Lourdes of St. Francis, who had conducted the Academy of Our Lady of Lourdes in Rochester since 1877, transferred the pupils of the Academy to Winona and opened the Winona Seminary. The first courses on the college level were opened in 1909. The name was changed to the College of St. Teresa in 1912.

REFUNDING SERIES "1976-1"- CONTINUED

In 1966 and 1967, the College constructed and equipped three buildings: Mary A. Molloy Library ($1,138,683), Maria Hall Student Residence ($1,406,745), and the Service Center ($572,062). The College also renovated the dining hall and kitchen area of Lourdes Hall ($617,619). The total cost was $3,735,109. The Mary A. Molloy Library contains facilities for student and faculty study and research and special learning facilities. The library proper contains space for 200,000 volumes and 500 students and is equipped with individual study carrels and tables and chairs for reading and seminar groups. Special learning facilities include a completely equipped audio-visual department, a 99 seat lecture hall and classrooms. Maria Hall is a four-story residence accommodating 200 students and includes a study-living lounge on each floor. The Service Center facility combines a garage, power plant, laundry and maintenance offices. The kitchen renovation was in connection with the dining facilities in Lourdes Hall, a multi-use residence, recreation, and dining facility building which also houses some offices. The Bond proceeds were issued to refinance the outstanding debt originally incurred to construct and remodel these facilities.

BOND SERIES "Q" $ 800,000 CONCORDIA COLLEGE

Concordia College is a non-profit, four-year, co-educational, liberal arts college founded April 4, 1891 as an academy by the Northwestern Lutheran College Association, a Red River Valley affiliation. A complete college department was organized in 1913. Concordia is owned and operated by the Concordia College Corporation, members of which are the congregations of the American Lutheran Church of northern Minnesota, North Dakota and Montana east of the continental divide; these congregations number almost 1,000, with a total membership of 350,000. The campus comprises 120-acre area within the residential section of Moorhead. Facilities include 30 major buildings, of which one-half have been built since 1955.

The proceeds of this Issue were used for constructing, financing, and equipping a student apartment building on the Concordia College campus. This building has 33 units and a maximum capacity of 126 students. It is the only air-conditioned campus resident hall, with individual units in each apartment. This 3-story structure is of frame construction with a brick veneer exterior and covers approximately 9,870 square feet of ground area. Kitchens are included in each of the units and are furnished with electric range, refrigerator and garbage disposal. Bedrooms and living rooms are carpeted and furnished, including dinette sets. Each unit has a private bath. A 67 car parking lot adjoins this new apartment building.

PROJECT DESCRIPTIONS

BOND SERIES "R" $ 795,000 COLLEGE OF SAINT CATHERINE

The College of Saint Catherine has constructed, furnished and equipped an apartment-dormitory complex consisting of 36 units to house 118 students. The new structure is of wood frame construction with a brick veneer exterior. The three-floor structure is divided in half by a concrete block firewall; fire doors and smoke detectors are part of the building. The total floor area of the building is 11,000 square feet. There are 13 one-bedroom, one-bath units; 12 two-bedroom, two-bath units; and 11 two-bedroom, one-bath units. Each apartment unit has a living room, dining area and kitchen. A laundry is located on both the second and third floors. A gas-fired boiler with hot water baseboard radiation provides heat. Utilities are included in the rent. although individual meter panels will enable the College to bill each unit if this proves preferable in the future. Units are individually air-conditioned.

BOND SERIES "S" $2,070,000 GOLDEN VALLEY LUTHERAN COLLEGE

Golden Valley Lutheran College is a co-educational, two-year liberal arts college. It is a non-profit, non-sectarian institution, although it has a strong Lutheran orientation. The College was established in 1967 by the Lutheran Bible Institute of Minneapolis (LBI). LBI was established as a Bible college in 1919 in St. Paul, and moved to Minneapolis in 1929, and from there to Golden Valley in 1961. Title to the Golden Valley Lutheran College campus is in the name of LBI.

The major part of this Bond Issue, $1,246,000, was used to construct, furnish and equip a new residence hall on the campus of Golden Valley Lutheran College. The three-story building has 44,160 square feet and is of concrete construction. The facility has 101 sleeping units accommodating two students each. There is a central living room for every eight bedrooms and one bath for every two bedrooms.

In addition, there is 2 one-bedroom, residence-head apartments, an activity room, a lobby and service space. Designed by Hammel, Green & Abrahamson, Inc., the building is capable of conversion to fifty one-bedroom housing units providing that the land can be zoned for such use.

Approximately 439,000 of the Issue was used to refund a part of an existing first lien mortgage on the Golden Valley Lutheran College campus in favor of Minnesota Federal Savings and Loan Association, St. Paul, Minnesota. The original (December, 1971) principal sum was $800,000. Due in December, 1996, the mortgage is currently payable in monthly installments of $6,852, including interest. The College is current in its payments. Because this mortgage is a first lien on all of the campus of the College at Golden Valley so much of it as is eligible for refunding by the Authority will be paid. The mortgagee has released its first mortgage on all of the campus land and buildings except the Administration Building.

PROJECT DESCRIPTIONS

REFUNDING SERIES "1976-2" $1,300,000 ST. MARY'S COLLEGE

The proceeds of the Issue were used by St. Mary's College to refinance part of the outstanding long-term debt that the College originally incurred to construct a 63,000 square foot College Center in 1968 at a cost of $1,631,000. Construction proceeds were provided by a $500,000 40 year, 3% HUD Loan and the issuance of a $1,250,000 unsecured Coupon Note, dated June 1, 1968. The Coupon Notes had a balloon payment of $1,010,000 which was due June 1, 1978.

The College Center is a three-story structure with an exterior of Mankato stone, housing the following activities: lower level: bookstore, post office, game room and several meeting rooms; main floor: snack bar, general lounge, Presidential Reception Room, music room and offices; top floor: all food service, including student dining hall, kitchen, and faculty dining room.

The facility is the only one in the Winona area capable of handling large convention-type gatherings and is frequently used for this purpose.

BOND SERIES "T" $2,385,000 CARLETON COLLEGE

The college has used proceeds of the issue for:

1. Leighton Hall (1920) remodeled to bring together offices and classrooms for five humanities departments (42 faculty offices and 11 classrooms) and to provide more adequate, grouped offices for three major, closely related administrative units. The project involved a complete remodeling of a former science building, including new electrical, heating and ventilation systems, new double glazed windows and roof insultation, and upgrading to meet current building and safety codes.

2. Sayles Hill Gymnasium (1910) remodeled to provide an adequate college center for the campus. Included are a post office, a book store, a snack bar, a social assembly area, game rooms, and a central information/switchboard station. The remodeling involved new electrical, heating and ventilation systems, new double glazed windows and insulation, and upgrading to meet current building codes.

3. Willis Hall (1880, reconstructed 1954) remodeled to provide, for the first time, coordinated offices and classrooms (22 faculty offices and 6 classrooms) or four social science departments. The project involved non-structural interior remodeling in a former academic building which was converted in the early 1950's to serve as a student union.

PROJECT DESCRIPTIONS

BOND SERIES "U" $ 685,000 COLLEGE OF ST. THOMAS

The College of St. Thomas, which is more completely described under Bond Series "K" on page 9, has eighteen major buildings. The construction of a two floor, 90 student residential facility addition to the college's student union (Murray Hall), has helped alleviate the residency requirements of women on the campus. This new facility was fully occupied by women students at the commencement of '77-'78 school year. Each unit accommodates three students and has toilet facilities. Conversion of the units to apartment house style is possible. The new facilities are serviced by an elevator and meet with the existing regulations relative to provisions for the physically handicapped.

BOND SERIES "W" $2,360,000 BETHEL COLLEGE
This Issue was used to finance two housing residences of 2-1/2 story brick veneer constructions, each of which includes lounge and recreation areas. The two buildings together house approximately 282 students plus an apartment for house parents.

BOND SERIES "X" $1,800,000 COLLEGE OF ST. THOMAS

The Issue financed the construction of a new 36,000 gross square-foot five-story residence hall on the campus. The dormitory has 35 apartments accommodating four students each plus a manager's apartment for the handicapped. Each apartment contains one bedroom with two bunk beds, a living room and bath. All are carpeted and furnished. Conversion of the bath to kitchenette is possible. The building has an activities room and study areas and laundry facilities in the basement.

The type of construction is concrete columns with post-tensioned floor and roof slabs; the exterior is brick. Campus utilities have been extended to service the Building.

BOND SERIES "Y" $5,245,000 ST. OLAF

The proceeds of the Issue financed the construction and related costs of a new 67,450 square-foot three-story residence hall on the College's campus. The new facility houses 232 students and replaces Ytterboe Hall which currently houses 219 students. The style of architecture is in conformity in scale and materials with the surrounding buildings.

BOND SERIES "Z" $6,500,000 CONCORDIA COLLEGE

Concordia College, which is more completely described under Bond Series "Q" on page 12, is situated on a 120 acre campus within the residential section of Moorhead, Minnesota. $5,000,000 of the Bond Series "Z" has been designated for the construction of an academic building to provide laboratory, classroom, support space and offices for the biology and home economics departments of the college, with necessary equipment, furnishings, and site improvements.

PROJECT DESCRIPTIONS

BOND SERIES "TWO-A" $6,000,000 HAMLINE UNIVERSITY

The present Hamline University School of Law was founded in 1972 as the Midwestern School of Law, and became affiliated with Hamline University in 1976. The School of Law was granted provisional accreditation by the American Bar Association in 1975. Since that time there have been periodic reviews of the curriculum and the proposed new law school building by ABA. Full accreditation was given by ABA in August, 1980.

The new facility consists of a single 2 1/2 story 80,000 square foot building housing all law school activities. The building is located approximately in the center of the campus, next to the University's main library.

The law building has a design capacity of 500 students. The building features three 90-seat classrooms, one 50-seat classroom, two 30-seat seminar rooms, a glass-enclosed 75-seat moot court room, administration and faculty offices, two lounges, and the law library. The building's design allows for the completion of the third floor and the addition of a fourth floor, depending on future needs.

BOND SERIES "TWO-B" $1,160,000 COLLEGE OF ST. SCHOLASTICA

The College in February of 1979 completed construction of the 22,000 square foot multi-purpose recreation building and related outdoor facilities to be funded by this Issue. Construction was funded by interim financing consisting of College funds and a bank loan. This Issue will allow the College to completely pay the bank loan and reimburse the College funds used for construction. Financing through the Minnesota Higher Education Facilities Authority was in part delayed due to the necessity for first clearing title to the property on which the Project Building is situated from a mortgage in favor of the United States Government.

BOND SERIES "TWO-C" $5,980,000 COLLEGE OF ST. THOMAS

The Project includes the construction and equipping of a new physical education and activities building ("PE&A BUILDING") which will be attached to the existing physical education and athletic building known as O'Shaughnessy Hall. The old Armory which was located on the site of the new PE&A Building has been razed and construction of the PE&A Building commenced in March, 1980. The PE&A Building will have 83,000 square feet of usable space and will include a multi-purpose area, arena, lobby, locker rooms and classrooms. Concurrently with the construction of the PE&A Building, renovations are being made to O'Shaughnessy Hall. The cost of construction and equipping the PE&A Building and renovating O'Shaughnessy Hall is estimated by the College to be approximately $4.70 million of which approximately $4.23 million will be provided from Bond proceeds. It is expected that the construction and renovations will be substantially completed and the PE&A Building ready for occupancy by May, 1981 and that it will be fully completed by July 15, 1981.

The other portion of the Project involves the construction and equipping of a new physical plant headquarters building. Construction of this building was completed and the building occupied in July, 1980 at a cost of approximately $370,000.

BOND ISSUES
1972 TO 1982

COLLEGE	BOND SERIES	TYPE OF BOND	DATE	FINAL MATURITY	AVERAGE MATURITY	NET INTEREST COST	AMOUNT
AUGSBURG	A	FIRST MORTGAGE REVENUE	12/1/72	2012	29.534 years	5.59296 %	$2,200,000
BETHEL	B	FIRST MORTGAGE REVENUE	12/1/72	1997	16.31 years	5.459212%	1,935,000
ST. MARY'S	C	FIRST MORTGAGE REVENUE	1/1/73	1998	16.52 years	5.48085 %	595,000
ST. SCHOLASTICA	D	FIRST MORTGAGE REVENUE	3/1/73	1997	15.16 years	5.9538 %	520,000
GUSTAVUS ADOLPHUS	E	FIRST MORTGAGE REVENUE	3/1/73	1993	12.98 years	5.3544 %	1,030,000
ST. BENEDICT	F	FIRST MORTGAGE REVENUE	3/1/73	1998	16.15 years	5.7270 %	1,610,000
MPLS. SOCIETY	G	FIRST MORTGAGE REVENUE	8/1/73	1984	7.07 years	6.6689 %	8,450,000
ST. SCHOLASTICA	H	FIRST MORTGAGE REVENUE	6/1/74	1999	16.43 years	6.4046 %	340,000
AUGSBURG	I	FIRST MORTGAGE REVENUE	5/1/74	1995	14.037 years	6.2011 %	1,600,000
ST. BENEDICT	J	FIRST MORTGAGE REVENUE	7/1/74	2002	19.77 years	6.7826 %	370,000
ST. THOMAS	K	FIRST MORTGAGE REVENUE	12/1/74	1994	12.15 years	6.5867 %	800,000
ST. MARY'S	L	FIRST MORTGAGE REVENUE	4/1/75	1994	12.64 years	8.26173 %	2,280,000
ST. CATHERINE	M	FIRST MORTGAGE REVENUE	5/1/75	1996	14.51 years	7.997284%	690,000
ST. BENEDICT	N	FIRST MORTGAGE REVENUE	5/1/75	1994	13.26 years	8.3202 %	1,450,000
CARLETON	O	FIRST MORTGAGE REVENUE	11/1/75	2000	25.00 years	7.0000 %	4,000,000
ST. OLAF	P	FIRST MORTGAGE REVENUE	10/1/75	1989	9.25 years	7.011879%	2,350,000
BETHEL	1975-1-REFUNDING	FIRST MORTGAGE REVENUE	12/1/75	1994	12.89 years	8.4331 %	6,460,000
ST. TERESA	1976-1-REFUNDING	FIRST MORTGAGE REVENUE	4/1/76	1991	10.38 years	7.100675%	1,695,000
CONCORDIA	Q	FIRST MORTGAGE REVENUE	5/1/76	1994	12.40 years	6.2161 %	800,000
ST. CATHERINE	R	FIRST MORTGAGE REVENUE	8/1/76	1997	12.98 years	6.49833 %	795,000
GOLDEN VALLEY	S	FIRST MORTGAGE REVENUE	4/1/77	1997	13.43 years	6.68618 %	2,070,000
ST. MARY'S	1976-2-REFUNDING	MORTGAGE REVENUE	4/1/77	2002	16.68 years	6.3861 %	1,300,000
CARLETON	T	FIRST MORTGAGE REVENUE	12/1/78	2007	29.25 years	5.62244 %	2,385,000
ST. THOMAS	U	MORTGAGE REVENUE	1/1/78	2000	15.51 years	5.8276 %	685,000
BETHEL	W	FIRST MORTGAGE REVENUE	8/1/78	2001	15.54 years	6.8696 %	2,360,000
ST. THOMAS	X	FIRST MORTGAGE REVENUE	9/1/78	1999	15.51 years	6.47701 %	1,800,000
ST. OLAF	Y	FIRST MORTGAGE REVENUE	6/1/79	2010	22.66 years	6.595373%	5,245,000
CONCORDIA	Z	FIRST MORTGAGE REVENUE	8/1/79	2006	19.84 years	6.7561 %	6,500,000
HAMLINE	TWO-A	FIRST MORTGAGE REVENUE	11/1/79	2008	20.80 years	7.79897 %	6,000,000
ST. SCHOLASTICA	TWO-B	FIRST MORTGAGE REVENUE	7/1/80	1993	9.325 years	7.5790 %	1,160,000
ST. THOMAS	TWO-C	FIRST MORTGAGE REVENUE	11/20/80	1983	3.00 years	7.9500 %	5,980,000
						TOTAL	$75,455,000

GENERAL BOND RESERVE FUND

As a general policy, the Authority requires that the amount of each bond series include a sum equal to approximately one year's debt service, after deduction of any interest subsidy grants, for the creation of debt service reserves. Of this sum, 80% is deposited with the trustee in a Series Reserve Account; the remaining 20% is deposited by the Authority in the General Bond Reserve Account pledged to the payment of all bonds issued by the Authority for which such a deposit has been made. No moneys from this fund can be used to pay operating expenses of the Authority.

No contribution to the General Bond Reserve Account will be required if an issue is three years or less and is not secured by the General Bond Reserve Account. A contribution will be required for any other issue whether or not the issue is secured by the General Bond Reserve Account. If the final maturity of an issue is ten years or more, a contribution of 20% of probable average annual debt service will be made to the General Bond Reserve Account. If the issue is a term issue probable average annual debt service will be calculated upon the basis of the Authority's estimated average annual debt service for the issue if the issue were amortized with level annual debt service. The amount of the percentage of probable average annual debt service will be as follows for bonds having the maturity indicated: 0-3 years - 0%; over 3 to 4 years - 2%; over 4 to 5 years - 5%; over 5 to 6 years - 8%; over 6 to 7 years - 11%; over 7 to 8 years - 14%; over 8 to 9 years - 17%; over 9 years - 20%. No issue for which a contribution of less than 20% has been made will be secured by the General Bond Reserve Account. All contributions together with contributions for other bonds unsecured by the General Bond Reserve Account will be placed in a subaccount of the General Bond Reserve Account to form a pool to which resort will be made for advances from the General Bond Reserve Account pursuant to the General Bond Reserve Resolution only after all other funds in the General Bond Reserve Account have been exhausted.

Funds in the General Bond Reserve are invested and/or reinvested in direct obligations of the United States of America or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in such other securities, if any, as the Authority may lawfully purchase and hold for investment purposes and which are then eligible for investment of public funds of the State of Minnesota or of municipalities of the State. These securities are the following: certificates of deposit of banks or trust companies having a combined capital and surplus of at least $25,000,000; securities issued by the following agencies of the United States: Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperatives, Federal National Mortgage Association. The Authority covenants that investment of funds shall be limited as to amount and yield of investment in such a manner that no part of any common fund bonds shall be deemed "arbitrage bonds" under Section 103(d) (1) of the Internal Revenue Code of 1954 and regulations thereunder. Interest earned on authorized investments in the General Bond Reserve may be and is intended to be accumulated until rebated to the several institutions of higher education at the respective times when the particular bond series issued has been fully paid. The interest income and the original contribution will be rebated to the college to the extent the original contribution and accumulated interest income was not needed to prevent default on bonds secured by the General Bond Reserve Account.

GENERAL BOND RESERVE FUND
STATEMENT OF CONTRIBUTIONS AND EARNINGS
FOR THE YEAR ENDED JUNE 30, 1982

COLLEGE	BOND SERIES	TYPE OF BOND	AMOUNT OF BOND	DATE INVESTED	ORIGINAL INVESTMENT
AUGSBURG	A	FIRST MORTGAGE REVENUE	$2,200,000	1/08/73	$ 31,744
BETHEL	B	FIRST MORTGAGE REVENUE	1,935,000	1/08/73	34,082
ST. MARY'S	C	FIRST MORTGAGE REVENUE	595,000	1/08/73	9,000
ST. SCHOLASTICA	D	FIRST MORTGAGE REVENUE	520,000	3/13/73	8,643
GUSTAVUS ADOLPHUS	E	FIRST MORTGAGE REVENUE	1,030,000	3/13/73	19,308
ST. BENEDICT	F	FIRST MORTGAGE REVENUE	1,610,000	3/13/73	21,304
MPLS. SOCIETY	G	FIRST MORTGAGE REVENUE	8,450,000	9/13/73	220,000
ST. SCHOLASTICA	H	FIRST MORTGAGE REVENUE	340,000	6/12/74	6,000
AUGSBURG	I	FIRST MORTGAGE REVENUE	1,600,000	5/08/74	30,000
ST. BENEDICT	J	FIRST MORTGAGE REVENUE	370,000	7/11/74	7,000
ST. THOMAS	K	FIRST MORTGAGE REVENUE	800,000	1/17/75	14,000
ST. MARY'S JUNIOR	L	FIRST MORTGAGE REVENUE	2,280,000	4/29/75	47,667
ST. CATHERINE	M	FIRST MORTGAGE REVENUE	690,000	5/15/75	12,000
ST. BENEDICT	N	FIRST MORTGAGE REVENUE	1,450,000	5/20/75	28,000
CARLETON	O	FIRST MORTGAGE REVENUE	4,000,000	12/02/75	80,000
ST. OLAF	P	FIRST MORTGAGE REVENUE	2,350,000	11/07/75	53,426
BETHEL	1975-1-REFUNDING	FIRST MORTGAGE REVENUE	6,460,000	1/06/76	138,000
ST. TERESA	1976-1-REFUNDING	FIRST MORTGAGE REVENUE	1,695,000	4/06/76	40,000
CONCORDIA	Q	FIRST MORTGAGE REVENUE	800,000	5/27/76	17,000
ST. CATHERINE	R	FIRST MORTGAGE REVENUE	795,000	9/02/76	15,000
GOLDEN VALLEY	S	FIRST MORTGAGE REVENUE	2,070,000	4/04/77	39,000
ST. MARY'S	1976-2-REFUNDING	MORTGAGE REVENUE	1,300,000	5/02/77	22,800
CARLETON	T	FIRST MORTGAGE REVENUE	2,360,000	12/29/77	30,000
ST. THOMAS	U	MORTGAGE REVENUE	685,000	1/23/78	11,200
BETHEL	W	FIRST MORTGAGE REVENUE	2,360,000	8/07/78	40,000
ST. THOMAS	X	FIRST MORTGAGE REVENUE	1,800,000	9/18/78	28,000
ST. OLAF	Y	FIRST MORTGAGE REVENUE	5,245,000	6/01/79	84,000
CONCORDIA	Z	FIRST MORTGAGE REVENUE	6,500,000	8/20/79	120,000
HAMLINE	TWO-A	FIRST MORTGAGE REVENUE	6,000,000	11/13/79	100,000
ST. SCHOLASTICA	TWO-B	FIRST MORTGAGE REVENUE	1,160,000	7/18/80	32,000
					$1,339,174
			ADD: ACCUMULATED FUND EARNINGS		895,212
			TOTAL ORIGINAL INVESTMENTS AND ACCUMULATED FUND EARNINGS AS OF 6/30/82		$2,234,386

GENERAL BOND RESERVE FUND
SECURITY ANALYSIS
CURRENT VALUE 6/30/82

TYPE	MATURITY DATE	FACE AMOUNT	COUPON	PRIOR INTEREST PAYMENT	CURRENT ACCRUED INTEREST	CURRENT BID PRICE	CURRENT MARKET VALUE	TOTAL
FNMA	9/10/82	70,000	6.800%	3/10/82	1,454.44	98.18750	68,731.25	70,185.69
FNMA	3/10/92	50,000	7.000%	3/10/82	1,069.44	60.00000	30,000.00	31,069.44
FNMA	9/12/83	30,000	8.500%	3/12/82	765.00	92.81250	27,843.75	28,608.75
FNMA	9/12/83	30,000	8.500%	3/12/82	765.00	92.81250	27,843.75	28,608.75
FNMA	4/10/85	60,000	13.750%	4/10/82	1,833.33	96.37500	57,825.00	59,658.33
FLB	7/20/83	150,000	8.650%	1/20/82	5,766.67	94.12500	141,187.50	146,954.17
FFCB	10/20/82	27,000	10.950%	4/20/82	574.88	98.87500	26,696.25	27,271.13
FFCB	3/04/85	42,000	13.200%	3/04/82	1,786.40	95.75000	40,215.00	42,001.40
FFCB	4/23/84	105,000	15.500%	4/23/82	3,028.96	100.43750	105,459.38	108,488.34
FFCB	9/01/82	160,000	11.650%	12/01/81	10,821.56	99.40625	159,050.00	169,871.56
FFCB	6/02/86	50,000	15.100%	6/02/82	587.22	99.25000	49,625.00	50,212.22
FFCB	11/01/82	120,000	14.500%	2/01/82	7,201.67	99.81250	119,775.00	126,976.67
FFCB	12/01/82	240,000	14.000%	3/01/82	11,106.67	99.50000	238,800.00	249,906.67
FFCB	10/01/82	200,000	14.500%	4/01/82	7,169.44	99.93750	199,875.00	207,044.44
T-NOTE	2/15/84	32,000	7.250%	2/15/82	865.19	90.40625	28,930.00	29,795.19
T-NOTE	5/15/83	130,000	11.625%	5/15/82	1,889.06	97.71875	127,034.38	128,923.44
T-NOTE	9/30/82	25,000	11.875%	3/31/82	738.13	99.46875	24,867.19	25,605.32
T-NOTE	4/30/83	45,000	14.500%	4/30/82	1,081.59	99.90625	44,957.81	46,039.40
T-NOTE	12/31/83	70,000	13.000%	6/30/82	0.00	97.81250	68,468.75	68,468.75
T-BILL	9/02/82	75,000	0.000%	0/00/00	0.00	97.82933	73,372.00	73,372.00
TOTALS		$1,711,000			$58,504.65		$1,660,557.01	$1,719,061.66
SERIES G SUB-ACCOUNT								
FNMA	4/11/83	235,000	9.250%	4/11/82	4,770.17	95.71875	224,939.06	229,709.23
FNMA	10/11/82	110,000	9.000%	4/11/82	2,172.50	98.43750	108,281.25	110,453.75
SLG	4/11/83	29,300	7.200%	4/11/82	461.11	100.00000	29,300.00	29,761.11
SLG	4/11/83	14,400	7.200%	4/11/82	226.62	100.00000	14,400.00	14,626.62
SLG	4/11/83	17,400	7.200%	4/11/82	273.84	100.00000	17,400.00	17,673.84
SLG	10/11/82	15,500	7.200%	4/12/82	240.89	100.00000	15,500.00	15,740.89
TOTALS		$421,600			$8,145.13		$409,820.31	$417,965.44
GRAND TOTALS		$2,132,600			$66,649.78		$2,070,377.32	$2,137,027.10

GENERAL BOND RESERVE
RESERVE EARNINGS ALLOCATION REPORT AS OF 6/30/82

BOND ISSUE	CONTRIBUTION PLUS EARNINGS THROUGH 6/30/81	CURRENT YEAR DAYS INVESTED	WEIGHTED TOTAL	WEIGHTED PERCENT	AT COST: SHARE OF EARNINGS	AT COST: INVESTED AND EARNED 6/30/82	AT MARKET: SHARE OF EARNINGS	AT MARKET: INVESTED AND EARNED 6/30/82
A	60,642.21	365	60,642.21	3.75	7,279.92	67,922.13	5,461.92	66,104.13
B	65,096.36	365	65,096.36	4.02	7,804.07	72,900.43	5,855.17	70,951.53
C	17,179.31	365	17,179.31	1.06	2,057.79	19,237.10	1,543.90	18,723.21
D	16,388.18	365	16,388.18	1.01	1,960.72	18,348.90	1,471.08	17,859.26
E	36,605.85	365	36,605.85	2.26	4,387.36	40,993.21	3,291.71	39,897.56
F	40,402.27	365	40,402.27	2.50	4,853.28	45,255.55	3,641.28	44,043.55
H	10,297.70	365	10,297.70	0.64	1,242.44	11,540.14	932.17	11,229.87
I	51,866.10	365	51,866.10	3.20	6,212.20	58,078.30	4,660.84	56,526.94
J	11,937.43	365	11,937.43	0.74	1,436.57	13,374.00	1,077.82	13,015.25
K	22,922.39	365	22,922.39	1.42	2,756.66	25,679.05	2,068.25	24,990.64
L	75,881.81	365	75,881.81	4.69	9,104.75	84,986.56	6,831.04	82,712.85
M	19,094.50	365	19,094.50	1.18	2,290.75	21,385.25	1,718.68	20,813.18
N	44,570.08	365	44,570.08	2.75	5,338.61	49,908.69	4,005.41	48,575.49
O	122,425.42	365	122,425.42	7.57	14,695.73	137,121.15	11,025.79	133,451.71
P	82,232.15	365	82,232.15	5.08	9,861.86	92,094.01	7,399.08	89,631.23
Q	25,324.06	365	25,324.06	1.56	3,028.45	28,352.51	2,272.16	27,596.22
1975-1	210,090.52	365	210,090.52	12.98	25,198.21	235,288.73	18,905.48	228,996.00
1976-1	59,920.07	365	59,920.07	3.70	7,182.85	67,102.92	5,389.09	65,309.16
R	21,976.95	365	21,976.95	1.36	2,640.18	24,617.13	1,980.85	23,957.80
S	54,946.26	365	54,946.26	3.40	6,600.46	61,546.72	4,952.14	59,898.40
1976-2	31,959.83	365	31,959.83	1.97	3,824.38	35,784.21	2,869.33	34,829.16
T	40,414.99	365	40,414.99	2.50	4,853.28	45,268.27	3,641.28	44,056.27
U	15,006.86	365	15,006.86	0.93	1,805.42	16,812.28	1,354.56	16,361.42
W	51,434.97	365	51,434.97	3.18	6,173.37	57,608.34	4,631.70	56,066.67
X	35,562.17	365	35,562.17	2.20	4,270.88	39,833.05	3,204.32	38,766.49
Y	100,631.20	365	100,631.20	6.22	12,074.96	112,706.16	9,059.50	109,690.70
Z	142,154.46	365	142,154.46	8.78	17,044.71	159,199.17	12,788.17	154,942.63
AA	116,231.32	365	116,231.32	7.18	13,938.62	130,169.94	10,457.75	126,689.07
BB	35,101.45	365	35,101.45	2.17	4,212.65	39,314.10	3,160.63	38,262.08
TOTALS	1,618,296.87		1,618,296.87	100.00	194,131.13	1,812,428.00	145,651.10	1,763,947.97
SERIES G SUB-ACCOUNT	387,312.57	365	387,312.57	100.00	34,645.24	421,957.81	22,865.55	410,178.12
GRAND TOTALS	$2,005,609.44		$2,005,609.44	100.00	$228,776.37	$2,234,385.81	$168,516.65	$2,174,126.09

GENERAL BOND RESERVE
RESERVE EARNINGS ALLOCATION REPORT AS OF 6/30/81

BOND ISSUE	CONTRIBUTION PLUS EARNINGS THROUGH 6/30/80	CURRENT YEAR DAYS INVESTED	WEIGHTED TOTAL	WEIGHTED PERCENT	AT COST: SHARE OF EARNINGS	AT COST: INVESTED AND EARNED 6/30/81	AT MARKET: SHARE OF EARNINGS	AT MARKET: INVESTED AND EARNED 6/30/81
A	55,050.66	365	55,106.56	3.75	5,591.55	60,642.21	2,607.60	57,658.26
B	59,087.31	365	59,147.31	4.03	6,009.05	65,096.36	2,802.31	61,889.62
C	15,598.77	365	15,614.61	1.06	1,580.54	17,179.31	737.08	16,335.85
D	14,882.19	365	14,897.30	1.01	1,505.99	16,388.18	702.31	15,584.50
E	33,236.01	365	33,269.76	2.26	3,369.84	36,605.85	1,571.52	34,807.53
F	36,674.57	365	36,711.81	2.50	3,727.70	40,402.27	1,738.40	38,412.97
G	(SERIES G HAS BEEN SEGREGATED FROM THE GENERAL BOND RESERVE TO CONFORM TO ARBITRAGE REGULATIONS)							
H	9,343.41	365	9,352.90	.64	954.29	10,297.70	445.03	9,788.44
I	47,079.73	365	47,127.54	3.21	4,786.37	51,866.10	2,232.11	49,311.84
J	10,834.03	365	10,845.03	0.74	1,103.40	11,937.43	514.57	11,348.60
K	20,805.06	365	20,826.19	1.42	2,117.33	22,922.39	987.41	21,792.47
L	68,888.65	365	68,958.60	4.69	6,993.16	75,881.81	3,261.24	72,149.89
M	17,335.03	365	17,352.63	1.18	1,759.47	19,094.50	820.53	18,155.56
N	40,454.70	365	40,495.78	2.76	4,115.38	44,570.08	1,919.20	42,373.90
O	111,137.95	365	111,250.81	7.57	11,287.47	122,425.42	5,263.88	116,401.83
P	74,642.55	365	74,718.35	5.09	7,589.60	82,232.15	3,539.39	78,181.94
Q	22,983.07	365	23,006.41	1.57	2,340.99	25,324.06	1,091.72	24,074.79
1975-1	190,736.31	365	190,930.00	13.00	19,354.21	210,090.52	9,025.79	199,762.10
1976-1	54,388.16	365	54,443.39	3.71	5,531.91	59,920.07	2,579.79	56,967.95
R	19,949.08	365	19,969.34	1.36	2,027.87	21,976.95	945.69	20,894.77
S	49,876.59	365	49,927.24	3.40	5,069.67	54,946.26	2,364.23	52,240.82
1976-2	29,007.49	365	29,036.95	1.98	2,952.34	31,959.83	1,376.82	30,384.31
T	36,687.29	365	36,724.55	2.50	3,727.70	40,414.99	1,738.40	38,425.69
U	13,620.16	365	13,633.99	0.93	1,386.70	15,006.86	646.69	14,266.85
W	46,693.34	365	46,740.76	3.18	4,741.63	51,434.97	2,211.25	48,904.59
X	32,281.79	365	32,314.57	2.20	3,280.38	35,562.17	1,529.79	33,811.58
Y	91,356.68	365	91,449.45	6.22	9,274.52	100,631.20	4,325.15	95,681.83
Z	129,047.87	365	129,178.91	8.79	13,106.59	142,154.46	6,112.22	135,160.09
TWO-A	105,510.46	364	105,617.60	7.19	10,720.86	116,231.32	4,999.65	110,510.11
TWO-B	32,000.00	348	30,540.57	2.08	3,101.45	35,101.45	1,446.35	33,446.35
TOTALS	$1,469,188.91		$1,469, 88.91	100.02	$149,107.96	$1,618,296.87	$69,536.12	$1,538,725.03

SERIES G SUB-ACCOUNT

	CONTRIBUTION PLUS EARNINGS THROUGH 6/30/80	CURRENT YEAR DAYS INVESTED	WEIGHTED TOTAL	WEIGHTED PERCENT	AT COST: SHARE OF EARNINGS	AT COST: INVESTED AND EARNED 6/30/81	AT MARKET: SHARE OF EARNINGS	AT MARKET: INVESTED AND EARNED 6/30/81
	365,633.74	365	365,633.74	100.00	21,678.83	387,312.57	-6,808.67	358,825.07
TOTAL	$365,633.74		$365,633.74	100.00	$21,678.83	$387,312.57	-6,808.67	$358,825.07

SERIES RESERVE ACCOUNTS
CONTRIBUTIONS

COLLEGE	BOND SERIES	TYPE OF BOND	AMOUNT OF BOND	INITIAL SERIES RESERVE
AUGSBURG	A	FIRST MORTGAGE REVENUE	$2,200,000.00	$126,194.00
BETHEL	B	FIRST MORTGAGE REVENUE	1,935,000.00	136,328.00
ST. MARY'S	C	FIRST MORTGAGE REVENUE	595,000.00	36,000.00
ST. SCHOLASTICA	D	FIRST MORTGAGE REVENUE	520,000.00	34,573.60
GUSTAVUS ADOLPHUS	E	FIRST MORTGAGE REVENUE	1,030,000.00	77,232.00
ST. BENEDICT	F	FIRST MORTGAGE REVENUE	1,610,000.00	85,216.00
MPLS. SOCIETY	G	FIRST MORTGAGE REVENUE	8,450,000.00	880,000.00
ST. SCHOLASTICA	H	FIRST MORTGAGE REVENUE	340,000.00	24,000.00
AUGSBURG	I	FIRST MORTGAGE REVENUE	1,600,000.00	120,000.00
ST. BENEDICT	J	FIRST MORTGAGE REVENUE	370,000.00	28,000.00
ST. THOMAS	K	FIRST MORTGAGE REVENUE	800,000.00	56,000.00
ST. MARY'S JUNIOR	L	FIRST MORTGAGE REVENUE	2,280,000.00	190,668.00
ST. CATHERINE	M	FIRST MORTGAGE REVENUE	690,000.00	48,000.00
ST. BENEDICT	N	FIRST MORTGAGE REVENUE	1,450,000.00	112,000.00
CARLETON	O	FIRST MORTGAGE REVENUE	4,000,000.00	-0-
ST. OLAF	P	FIRST MORTGAGE REVENUE	2,350,000.00	213,703.34
BETHEL	1975-1-REFUNDING	FIRST MORTGAGE REVENUE	6,460,000.00	552,000.00
ST. TERESA	1976-1-REFUNDING	FIRST MORTGAGE REVENUE	1,695,000.00	160,000.00
CONCORDIA	Q	FIRST MORTGAGE REVENUE	800,000.00	68,000.00
ST. CATHERINE	R	FIRST MORTGAGE REVENUE	795,000.00	60,000.00
GOLDEN VALLEY	S	FIRST MORTGAGE REVENUE	2,070,000.00	156,000.00
ST. MARY'S	1976-2-REFUNDING	MORTGAGE REVENUE	1,300,000.00	91,200.00
CARLETON	T	FIRST MORTGAGE REVENUE	2,385,000.00	-0-
ST. THOMAS	U	MORTGAGE REVENUE	685,000.00	44,800.00
BETHEL	W	FIRST MORTGAGE REVENUE	2,360,000.00	160,000.00
ST. THOMAS	X	FIRST MORTGAGE REVENUE	1,800,000.00	112,000.00
ST. OLAF	Y	FIRST MORTGAGE REVENUE	5,245,000.00	336,000.00
CONCORDIA	Z	FIRST MORTGAGE REVENUE	6,500,000.00	480,000.00
HAMLINE	TWO-A	FIRST MORTGAGE REVENUE	6,000,000.00	400,000.00
ST. SCHOLASTICA	TWO-B	FIRST MORTGAGE REVENUE	1,160,000.00	128,000.00
ST. THOMAS	TWO-C	FIRST MORTGAGE REVENUE	5,980,000.00	908,725.00
		TOTAL OF ALL ISSUES AS OF JUNE 30, 1982	$73,070,000.00	$5,824,639.94

CONTENTS

Coopers & Lybrand | certified public accountants

To the Executive Director and Chairman of the Board of
the Minnesota Higher Education Facilities Authority:

We have examined the balance sheets comprising the various funds of the Minnesota Higher Education Facilities Authority as of June 30, 1982 and 1981, and the related statements of revenues and expenses and changes in fund balance, and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our report dated August 14, 1981, our opinion on the 1981 financial statements of the General Operating Fund was qualified as being subject to the effects of such adjustments, if any, as might have been required had the outcome of certain litigation been known. As explained in Note 5, the litigation was settled as of December 1981 with the associated costs being charged to operations in the current year as required by generally accepted accounting principles. Accordingly, our present opinion on the 1981 financial statements of the General Operating Fund, as presented herein, is different from that expressed in our previous report.

In our opinion the aforementioned financial statements present fairly the financial position of the various funds of the Minnesota Higher Education Facilities Authority at June 30, 1982 and 1981 and the results of their operations and changes in their financial position for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Coopers & Lybrand

St. Paul, Minnesota
August 13, 1982

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

BALANCE SHEETS, June 30, 1982 and 1981

ASSETS	General Operating Fund 1982	General Operating Fund 1981	General Bond Reserve Fund (Note 4) 1982	General Bond Reserve Fund (Note 4) 1981
Unrestricted:				
Cash (including short-term investments of $104,998 in 1982 and $124,950 in 1981)	$ 115,534	$ 143,703		
Furniture and equipment (less accumulated depreciation of $8,043 in 1982 and $7,127 in 1981)	1,742	1,768		
Other	9,781	8,497		
	127,057	153,968		
Restricted:				
Cash			$ 39,939	$ 5,272
Investments, at cost which approximates market			2,130,637	1,957,858
Accrued interest receivable			66,650	45,968
Financing leases (Note 3):				
Rentals receivable	52,594,400	54,119,650		
Cash (including certificates of deposit and short-term investment funds of $1,006,178 in 1982 and $2,152,033 in 1981)	1,107,576	2,284,450		
Investments, at cost which approximates market	9,201,514	8,726,040		
Accrued interest receivable	194,161	159,616		
Reserve deposits to General Bond Reserve Fund	1,339,174	1,339,174		
	64,436,825	66,628,930		
Total assets	$64,563,882	$66,782,898	$2,237,226	$2,009,098

Continued

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

BALANCE SHEETS, June 30, 1982 and 1981, Continued

LIABILITIES AND FUND BALANCE	General Operating Fund 1982	General Operating Fund 1981	General Bond Reserve Fund (Note 4) 1982	General Bond Reserve Fund (Note 4) 1981
Accounts payable, operations	$ 1,469	$ 19,009		
Payable from restricted assets:				
Revenue bonds payable (less unamortized discount of $910,509 in 1982 and $1,003,350 in 1981) (Note 4)	63,454,491	65,601,650		
Accrued interest payable	982,334	1,027,280		
Accounts payable			$ 2,840	$ 3,488
Reserve deposits from restricted assets of General Operating Fund			1,339,174	1,339,174
	64,436,825	66,628,930	1,342,014	1,342,662
Total liabilities	64,438,294	66,647,939	1,342,014	1,342,662
Fund balance:				
Unappropriated	125,588	134,959		
Appropriated (Note 1)			895,212	666,436
Total fund balance	125,588	134,959	895,212	666,436
Total liabilities and fund balance	$64,563,882	$66,782,898	$2,237,226	$2,009,098

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE

for the years ended June 30, 1982 and 1981

	General Operating Fund				General Bond Reserve Fund	
	Unrestricted		Restricted			
REVENUES	1982	1981	1982	1981	1982	1981
Application fees	$ 4,000	$ 1,000				
Bond issuance fees		25,008				
Annual administrative fees	121,154	121,163				
Investment income	17,803	13,347	$1,272,043	$1,195,068	$232,634	$186,260
Revenues from institutions to finance interest expense and bond issuance costs (Note 1)			3,293,058	3,306,366		
Total revenues	142,957	160,518	4,565,101	4,501,434	232,634	186,260
EXPENSES						
Payroll, payroll taxes and employee benefits (Note 5)	112,081	80,875				
Rent expense	8,625	8,504				
Legal, audit and consulting expense	18,616	9,911			3,653	15,288
Other general and administrative expenses	13,006	13,239			205	185
Interest expense			4,561,957	4,467,550		
Bond issuance costs				33,874		
Loss on sale of investments			3,144	10		
Total expenses	152,328	112,529	4,565,101	4,501,434	3,858	15,473
Excess (deficit) of revenues over expenses	(9,371)	47,989			228,776	170,787
Fund balance, beginning of year	134,959	86,970			666,436	495,649
Fund balance, end of year	$125,588	$134,959	-	-	$895,212	$666,436

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the years ended June 30, 1982 and 1981

	General Operating Fund 1982	General Operating Fund 1981	General Bond Reserve Fund 1982	General Bond Reserve Fund 1981
Cash provided:				
Operations:				
Excess (deficit) of revenues over expenses	$ (9,371)	$ 47,989	$228,776	$170,787
Add (deduct) items not affecting cash:				
Depreciation	916	915		
Amortization of bond discount	92,841	98,834		
Increase (decrease) in accrued interest payable	(44,946)	24,767		
Decrease (increase) in accrued interest receivable	(34,545)	47,950	(20,682)	2,371
Increase (decrease) in accounts payable	(17,540)	13,314	(648)	(425)
Cash provided by operations	(12,645)	233,769	207,446	172,733
Deposits from restricted assets of General Operating Fund				32,000
Proceeds from revenue bonds issued		7,109,956		
Collections of financing lease rentals receivable	2,016,145	1,924,142		
Total cash provided	2,003,500	9,267,867	207,446	204,773
Cash applied:				
Construction of property under lease	490,895	8,065,052		
Net increase in funds invested	475,474	799,762	172,779	214,952
Deposits to General Bond Reserve Fund		32,000		
Redemption of revenue bonds	2,240,000	1,975,000		
Purchase of fixed assets	890			
Other	1,284	4,617		
Total cash applied	3,208,543	10,876,431	172,779	214,952
Increase (decrease) in cash	(1,205,043)	(1,608,564)	34,667	(10,219)
Unrestricted cash and temporary investments, beginning of year	143,703	86,102		
Restricted cash, beginning of year	2,284,450	3,950,615	5,272	15,491
Cash and temporary investments, end of year	$ 1,223,110	$ 2,428,153	$ 39,939	$ 5,272
Unrestricted cash and temporary investments, end of year	115,534	143,703		
Restricted cash, end of year	1,107,576	2,284,450	39,939	5,272
Cash and temporary investments, end of year	$ 1,223,110	$ 2,428,153	$ 39,939	$ 5,272

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Authorizing Legislation and Funds:

AUTHORIZING LEGISLATION:

The Minnesota Higher Education Facilities Authority is a state agency created to assist nonprofit institutions of higher education in financing the construction of educational facilities. The Authority is authorized to have a maximum of $100 million of revenue bonds outstanding. Bonds issued by the Authority are payable only from specified revenues and collateral and do not constitute a debt of the State of Minnesota.

FUNDS:

The following describes the funds maintained by the Authority, all of which conform with the authorizing legislation, bond resolutions and mortgage indentures:

General Operating Fund:

The unrestricted revenue of the General Operating Fund consists principally of the following fees paid by the participating institutions:

Bond issuance fees - .35% of original bond principal.

Annual administrative fees - .2% of original bond principal until repayment (.125% of the original bond principal for applications received prior to August 12, 1975).

General and administrative expenses of the Authority are paid from unrestricted assets. Assets in the General Bond Reserve Fund and assets arising from the capitalized financing lease activities in this fund, including debt service reserves, are appropriated for the purposes specified in the mortgage trust indentures and cannot be used to pay the operating expenses of the Authority.

The restricted assets of the General Operating Fund consist of capitalized financing leases. Separate trust accounts are maintained to account for each bond issue's proceeds, to receive rental payments and to accumulate the required reserves and sinking funds stipulated in the related mortgage trust indentures.

Continued

1. Authorizing Legislation and Funds, continued:

FUNDS, continued:

General Operating Fund, continued:

Proceeds of the bonds are held by a trustee and invested in specified securities until withdrawn for payment of construction costs or debt service.

Under the terms of the net lease agreements, the participating institutions lease the projects from the Authority over the life of the bond issue. The lease agreements define rental payments as the amount required to provide sufficient revenues to fund debt service, principal redemptions and other related expenses.

Rental payments to be received from the participating institutions are reduced by the amount of income earned on the investments in the required reserves (other than the General Bond Reserve) and sinking funds stipulated in the mortgage trust indenture.

Upon retirement of a bond issue, any remaining assets in the related trust accounts will be rebated to the participating institution.

General Bond Reserve Fund:

A specified portion of the proceeds from each issuance of Authority bonds (except Series Two-C) is deposited in the General Bond Reserve Fund. Monies in the fund are invested in United States obligations and certificates of deposit. The investments and the earnings thereon are pledged as collateral for repayment of all revenue bonds outstanding except Series Two-C (see Note 4). Upon repayment of its bonds, a participating institution will be rebated its share of the fund consisting of the institution's original deposit adjusted for a proportionate share of fund earnings and charges for collateral payments, if any, to date.

2. Accounting Policies:

The following is a summary of the significant accounting policies applied in the preparation of these financial statements.

BASIS OF ACCOUNTING:

The Authority follows the accrual basis of accounting.

Continued

2. Accounting Policies, continued:

BOND DISCOUNTS:

Bond discounts are amortized under the interest method over the term of the related bond series.

FURNITURE AND EQUIPMENT:

Office furniture and equipment is stated at cost and depreciated on the straight-line method over the estimated useful life of the asset.

ISSUANCE COSTS:

The costs of issuing the bonds, which are insignificant in amount, are expensed as incurred.

LEASE ACCOUNTING:

Lease contracts have been accounted for as direct financing leases in accordance with Statement No. 13 of the Financial Accounting Standards Board (FASB). The net investment is comprised of the total lease payments receivable under the contract less unearned income. The unearned finance income is recognized as revenue over the lease term as interest expense is recognized. This method approximates a constant rate of return on the net investment in the contract. Since the participating institutions have the option to acquire the project from the Authority at the expiration of the lease for a nominal fee, the estimated residual value of the property under lease at the end of the lease term is not included in the net investment. The income received from an institution from the sale of a project, which is insignificant in amount, will be recognized as income in the year received.

3. Financing Leases:

The annual rental payments required under the leases are sufficient to fund debt service, principal redemptions (Note 4) and other related expenses. The term of each lease agreement corresponds to the maturity of the related bond issue. At the expiration of the lease the institution has the option to acquire the project from the Authority for a specified nominal fee.

Continued

3. Financing Leases, continued:

The Authority's net investment in finance leases consists of the following at June 30, 1982 and 1981:

	1982	1981
Aggregate payments to be received from the participating institution and from income earned on the investments in the required reserves and sinking funds stipulated in the mortgage trust indentures	$116,135,322	$122,796,663
Unearned income	(51,698,497)	(56,167,733)
	$ 64,436,825	$ 66,628,930

At June 30, 1982 future minimum lease payments to be received under financing leases, including income earned on the investments as noted above, approximates:

	Principal	Interest	Total
1983	$ 2,460,000	$ 4,318,767	$ 6,778,767
1984	9,535,000	3,808,489	13,343,489
1985	1,660,000	3,508,654	5,168,654
1986	1,800,000	3,395,736	5,195,736
1987	1,955,000	3,270,973	5,225,973
Thereafter	46,955,000	33,467,703	80,422,703
	$64,365,000	$51,770,322	$116,135,322

Continued

4. Revenue Bonds Payable:

Revenue bonds payable at June 30, 1982 consist of the following serial and term bonds:

Original Principal Amount		Interest Rates	Maturity Dates	Principal Outstanding	Unamortized Discount	Principal Less Unamortized Discount
$ 2,200,000	Series A (Augsburg College)	4.0% to 5.6%	Dec 1, 1975 to Dec 1, 2012	$2,120,000	$ 22,503	$ 2,097,497
1,935,000	Series B (Bethel College)	4.0% to 5.6%	Jun 1, 1974 to Jun 1, 1997	1,560,000	17,850	1,542,150
595,000	Series C (St. Mary's College)	4.2% to 5.6%	Jan 1, 1976 to Jan 1, 1998	495,000	5,536	489,464
520,000	Series D (College of St. Scholastica)	5.3% to 6.0%	Mar 1, 1974 to Mar 1, 1997	400,000	4,595	395,405
1,030,000	Series E (Gustavus Adolphus College)	4.0% to 5.5%	Mar 1, 1975 to Mar 1, 1993	745,000	7,294	737,706
1,610,000	Series F (College of St. Benedict)	4.9% to 5.8%	Mar 1, 1974 to Mar 1, 1998	1,305,000	14,145	1,290,855
8,450,000	Series G (Minneapolis Society of Fine Arts)	6.4%	Aug 1, 1976 to Aug 1, 1983	3,010,000	9,633	3,000,367
340,000	Series H (College of St. Scholastica)	6.0% to 6.4%	Jun 1, 1975 to Jun 1, 1999	285,000	4,832	280,168
1,600,000	Series I (Augsburg College)	5.75% to 6.2%	May 1, 1976 to May 1, 1995	1,280,000	14,746	1,265,254
370,000	Series J (College of St. Benedict)	6.3% to 6.8%	Jul 1, 1976 to Jul 1, 2002	340,000	6,807	333,193
800,000	Series K (College of St. Thomas)	5.5% to 6.9%	Sep 1, 1975 to Sep 1, 1994	620,000	4,089	615,911
2,280,000	Series L (St. Mary's Junior College)	7.0% to 8.25%	Jan 1, 1977 to Jan 1, 1994	1,845,000	43,437	1,801,563
690,000	Series M (College of St. Catherine)	7.4% to 8.0%	Nov 1, 1976 to Nov 1, 1996	595,000	9,894	585,106
1,450,000	Series N (College of St. Benedict)	8.0% to 8.25%	Nov 1, 1976 to Nov 1, 1994	1,195,000	21,849	1,173,151
4,000,000	Series O (Carleton College)	7.0%	Nov 1, 2000	4,000,000	55,733	3,944,267
2,350,000	Series P (St. Olaf College)	6.0% to 7.0%	Apr 1, 1976 to Oct 1, 1989	1,680,000	21,737	1,658,263
800,000	Series Q (Concordia College)	4.0% to 6.375%	Apr 1, 1978 to Apr 1, 1994	675,000	10,844	664,156
6,460,000	Series 1975-1 (Bethel College)	7.7% to 8.3%	Oct 1, 1976 to Oct 1, 1994	5,540,000	104,352	5,435,648
1,695,000	Series 1976-1 (College of St. Theresa)	5.875% to 7.1%	Apr 1, 1978 to Apr 1, 1991	1,335,000	22,920	1,312,080
1,300,000	Series 1976-2 (St. Mary's College)	6.0% to 6.5%	Apr 1, 1979 to Apr 1, 2002	1,205,000		1,205,000
795,000	Series R (College of St. Catherine)	4.0% to 6.625%	May 1, 1977 to May 1, 1997	655,000	12,069	642,931
2,070,000	Series S (Golden Valley Lutheran College)	6.5%	Apr 1, 1979 to Apr 1, 1997	1,835,000	32,244	1,802,756
2,385,000	Series T (Carleton College)	5.625%	Mar 1, 2007	2,385,000		2,385,000
685,000	Series U (College of St. Thomas)	4.4% to 5.9%	Apr 1, 1980 to Apr 1, 2000	645,000	10,657	634,343
2,360,000	Series W (Bethel College)	6.4% to 7.0%	Apr 1, 1979 to Apr 1, 2001	2,200,000		2,200,000
1,800,000	Series X (College of St. Thomas)	6.0% to 7.0%	Apr 1, 1980 to Apr 1, 1999	1,750,000	20,649	1,729,351
5,245,000	Series Y (St. Olaf College)	6.25% to 6.75%	Apr 1, 1981 to Apr 1, 2010	5,150,000	88,969	5,061,031
6,500,000	Series Z (Concordia College)	6.0% to 6.7%	Apr 1, 1983 to Apr 1, 2006	6,500,000	162,241	6,337,759
6,000,000	Series Two-A (Hamline University)	7.25% to 7.75%	Jun 1, 1982 to Jun 1, 2008	5,925,000	157,117	5,767,883
1,160,000	Series Two-B (College of St. Scholastica)	6.00% to 7.50%	May 1, 1982 to May 1, 1993	1,110,000	23,767	1,086,233
5,980,000	Series Two-C (College of St. Thomas)	7.95%	Nov 20, 1983	5,980,000		5,980,000
$75,455,000				$64,365,000	$910,509	$63,454,491

Continued

4. Revenue Bonds Payable, continued:

Aggregate principal and interest are due on the revenue bonds equal to the future minimum lease payments to be received under financing leases as shown in Note 3. Under the terms of the related mortgage trust indentures, each bond issue is collateralized by a) all assets financed by the bond issue; b) all rights and revenues under the lease between the Authority and the institution (except Authority fees); c) a security interest in the assets of the General Bond Reserve Fund, except for Series Two-C which has a $6,934,955 letter of credit from First National Bank, St. Paul pledged as collateral; and d) restricted assets in the General Operating Fund pertaining to each issue including a debt service reserve for all issues except Series O and T which have $4,400,000 and $2,625,000, respectively of Carleton College investment securities pledged as collateral for their debt service reserves (see Note 1).

5. Lawsuit:

On June 17, 1980 a former employee filed a lawsuit against the Authority and other parties claiming unlawful grounds for termination and intentional infliction of mental distress. The lawsuit claimed damages of not less than $50,000 plus punitive damages of not less than $50,000 from each party.

The lawsuit was settled in December 1981. The former employee was awarded $22,387 in full settlement of the claim. This amount is included in payroll and employee benefits in the statement of revenues and expenses for the year ended June 30, 1982. The Authority incurred approximately $10,000 in legal fees relating to this litigation; these costs are included in legal, audit and consulting expense for the current year.

As a result of a ruling from the workmen's compensation court, the Authority is also liable for future medical payments for a work related disability of the same employee. The amount of workmen's compensation included in current year's expenses amounted to $19,089. The amount of future potential payments, which cannot be determined at June 30, 1982, will be expensed as incurred in future years.

6. Commitments:

The Authority has a lease commitment to pay, from the General Operating Fund, monthly rentals of $672 through November 1982 and monthly amounts ranging from $800 to $925 for five years after that. Rentals charged to expense in 1982 and 1981 amounted to $8,625 and $8,504, respectively.